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September 20, 2005

AGENDA ITEM 4

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** Update on *Partnership for Change*: Promoting Value in Hospital Care – Purchasers' Conference
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Information
- IV. ANALYSIS:**

Background

In February 2005, the Board approved two initiatives to promote performance transparency, manage hospital reimbursements, and ensure a high-value hospital network. The first initiative established a Hospital Reimbursement Project to assess hospital performance and manage hospital reimbursements. The second initiative set up a process to ensure that a high-value hospital network would be available to CalPERS members through review of hospital performance criteria and application of objective criteria in determining which hospitals would be included in the CalPERS network. These initiatives have become the CalPERS *Partnership for Change: Promoting Value in Hospital Care*.

This is the third periodic progress report to the Board on the *Partnership for Change*.

Health Care Purchasers' Conference – September 21, 2005

CalPERS is sponsoring a Health Care Purchasers' Conference to be held at Lincoln Plaza North in Room 1140 on September 21, 2005 from 1:00 to 5:00 p.m. The Conference will be followed by a reception in the Lincoln Plaza First Floor Courtyard from 5:00 to 7:00 p.m. The Health Care Purchasers' Conference will provide an opportunity for endorsers of the *Partnership for Change* and other health care purchasers to join together to promote value in hospital care. (Attachment 1 shows current endorsers).

The keynote speaker will be Mark D. Smith, MD, MBA, President and Chief Executive Officer of the California HealthCare Foundation. In addition, R. Adams Dudley, Associate Professor of Medicine at UCSF, will be speaking on the clinical quality measures and patient experience of the CHART-1 Project. Joseph Parker, PhD,

Director of the Health Care Outcomes Center at the Office of Statewide Health Planning and Development (OSHPD) will discuss how OSHPD uses hospital data to evaluate health outcomes. Arnold Milstein, Medical Director of Pacific Business Group on Health (PBGH) and the U.S. Health Care Thought Leader at Mercer Human Resource Consulting, will be speaking on current efforts to improve patient safety in hospitals. In the third session, Stephen Lynch, President, Health Net of California will present the Hospital Value Initiative. Tom Moore, Jr. and Arnold Milstein will respond on the Hospital Value Initiative from the perspectives of union and management.

Staff mailed registration material for the Health Care Purchasers' Conference in mid-August to 450 health care purchasers. Staff sent invitations to the CalPERS Board of Administration members. (See Attachment 2 for registration materials.)

V. STRATEGIC PLAN:

This item supports the CalPERS Strategic Plan Goal III: Design, develop, and administer programs and business processes that are innovative, effective, efficient, and valued by our members, employers and stakeholders.

VI. RESULTS/COSTS

Staff is implementing the steps adopted by the Board to advance the *Partnership for Change*, to slow the growth in health care costs, ensure a high value hospital network for our members, and improve the overall quality and efficiency of care provided by network hospitals.

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Attachments